

Members:

Sen. Robert Meeks, Chairperson
Sen. Becky Skillman
Sen. Rose Ann Antich
Sen. Allie Craycraft
Rep. David Crooks
Rep. Dan Stevenson
Rep. Robert Alderman
Rep. John Ulmer



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MEETING MINUTES

Meeting Date: November 16, 1998
Meeting Time: 1:00 P.M.
Meeting Place: State House, 200 W. Washington St.,
Room 233
Meeting City: Indianapolis, Indiana
Meeting Number: 4

Members Present: Sen. Robert Meeks; Sen. Becky Skillman; Sen. Rose Ann Antich; Sen. Allie Craycraft; Rep. David Crooks; Rep. Dan Stevenson; Rep. Robert Alderman; Rep. John Ulmer.

Members Absent: None.

Sen. Meeks convened the meeting at 1:15 p.m.. Sen. Meeks asked if the Committee had any amendments to the minutes of the last meeting. Sen. Antich proposed that the third full paragraph of page two of the minutes be amended to state: "Sen. Antich asked if NIRPC was the only Municipal Planning Organization in the nation that has not completed its Transportation Improvement Plan (TIP). Mr. Dennis Faulkenberg responded 'yes'". The Committee adopted the amendment by consent. Mr. Larry Goode, Indiana Department of Transportation (InDOT), indicated that InDOT's meeting with the short line railroads to discuss funding options was rescheduled for December 3, 1998. Mr. Tom Fruechtenicht, Indiana Rail Transportation Group (IRTG) indicated that Sen. Meeks would receive a copy of the meeting minutes. He stated that InDOT is uncomfortable proposing funding options because this is a legislative function. Mr. Phil Schermerhorn, InDOT, stated that funding resources are finite. He stated that their InDOT supervisors have instructed them that they are not to be making these types of decisions.

Sen. Antich asked how much money the short line railroads are requesting.

Ms. Cathy Hale, Madison Railroad, IRTG, stated that they are asking for approximately \$2 million per year. They are currently receiving \$1.2 million per year.

Mr. Thomas Fruechtenicht stated that his group is trying to come up with a straight line item in the budget. He explained that a survey indicated that there are 5000 miles of short line track, of which over 50% is in such poor condition the trains may not travel over 10 miles per hour. Rep. Stevenson asked who administers the industrial rail service fund. Mr. Fruechtenicht explained that InDOT administers the fund. He stated that InDOT is working to make the application process more streamlined. In response to a question from Rep. Crooks, Mr. Fruechtenicht stated that the fund gives grants and loans.

Sen. Antich stated that she understands the maintenance problems of the short lines and that she supports InDOT finding funding for the short lines.

Mr. Larry Goode, InDOT, addressed the Committee concerning railroad maintenance costs for railroad crossings.¹ Mr. Goode indicated that the figures on the handout were compiled from information sent to InDOT from the railroads. The figures indicated that it would cost about \$9 million for the state to pay for maintenance on all crossings-- those that cross state roads and those that cross local roads. He stated that if the state paid only for maintenance of the crossings that cross state highways-- only 10% of the total crossings-- the cost would be about \$1.5 million per year. Mr. Goode stated that the state currently pays nothing for maintenance of crossings because by law, the railroads are responsible for maintenance. Mr. Schermerhorn stated that the locals should pay for their crossings.

Sen. Meeks asked how Michigan allocates the responsibility for crossing construction costs. Mr. Goode stated that in Michigan, the state pays for part of the construction cost of the crossing. Ms. Cathy Hale, Madison Railroad, stated that the railroads only have to pay if the federal money is exhausted. She stated that usually the railroads don't have to pay any money for construction of crossings. Sen. Meeks explained that in Michigan, once the federal funds are used up, the state pays 50% of the construction costs and the railroad pays 50% of the construction costs.

Rep. Stevenson stated that while he wants to help the short line railroads, he does not want to make the local units of government responsible for maintenance costs. Mr. Fruechtenicht stated that he is not saying local units should pay for maintenance, just that the short line railroads need money from somewhere.

Sen. Meeks asked InDOT about the money that goes to InDOT for railroad safety. Mr. Schermerhorn explained that InDOT is required to spend \$5 million in federal funds on railroad crossings. He stated that this is a 90/10 match, federal and local money. He stated that in reality, InDOT spends about \$8 million to \$13 million per year on railroad crossings. Sen. Meeks asked what portion of the \$9 million maintenance cost is InDOT willing to assume. Mr. Schermerhorn stated that if InDOT pays part of this amount, something else doesn't get paid for, such as highway repairs.

Sen. Meeks spoke about the situation in Madison, Indiana. He stated that in that case, InDOT expanded the highway, requiring a new crossing which the short line

¹A handout entitled "Railroad Crossing Annualized Maintenance Costs Public At-Grade Crossings" is on file at the Legislative Information Center, Room 230, State House, Indianapolis, Indiana. The telephone number of the Legislative Information Center is (317) 232-9856, and the mailing address is 200 West Washington St., Suite 301, Indianapolis, In. 46204-2789.

railroad is now obligated to maintain. He stated that this is a large burden for the short line railroads to bear and is in the nature of an unfunded mandate. Sen. Meeks asked if InDOT considers the cost to the railroads when it makes a decision to expand a highway. Mr. Schermerhorn stated that InDOT does not consider the cost to the railroads in making these decisions because under the law, the railroads are responsible for the maintenance costs.

Mr. John Sherer, Indiana Railroad, stated that they want assistance with the cost of maintaining crossing surface work. He stated that 90% of crossing maintenance is surface work that is needed due to deterioration caused by road traffic. Sen. Meeks asked if a railroad has any appeal process when InDOT receives a complaint to fix the surface work. Mr. Fruechtenicht stated that the statute requires the railroad to fix it.

Sen. Antich asked if there were no local or state funds involved in the Grand Trunk project in Merrillville. Mr. Schermerhorn stated that this was a federal aid project and that no state funds were involved.

Sen. Meeks asked the origin of the law that requires the railroads to maintain crossings. Mr. Matt Brooks, Association of Indiana Counties, stated that it is the railroad's right-of-way and not the local unit's or state's right-of-way. Mr. Larry Shaw, InDOT, stated that the law dates back to when railroads could shoulder the cost. Sen. Meeks stated that perhaps the law should be changed, while staying within the budget parameters.

Mr. Larry Goode, InDOT, suggested creating a fund separate from the railroad grade crossing fund, that is devoted solely to maintenance. Mr. Matt Brooks, Association of Indiana Counties, stated that the railroad grade crossing fund is also used to provide 10% local match money for projects, not just for maintenance. He suggested adding crossing maintenance as a purpose of the railroad grade crossing fund. Sen. Meeks suggested a straight line appropriation to the fund of \$3 to \$4 million and changing the cost allocation to a 50/50 match, opening up the fund to the locals.

Sen. Antich asked whether they could specify short line railroads as the only recipient from the fund. Mr. Tom Fruechtenicht stated that they got into this with regard to state tax money for Class 3 railroads. He stated that the Class 1 railroads do not want to take all the money that is made available. He suggested an agreement among the Class 1 railroads not to ask for money from the fund. Sen. Meeks asked how they could get agreement among the railroads. Mr. Fruechtenicht stated that there is a small amount of money involved. He stated that the short line railroads are used to get freight to the Class 1 railroads, so the short lines are a benefit the Class 1 railroads.

Mr. Mike Rogers, Norfolk and Southern Railroad, Conrail, stated that the legislature has found money available for the railroad industry in the past. He stated that the short line railroads are important to the Class 1 railroads. He stated that he recognizes the economies of running a Class 1 railroad and a short line railroad are different. He stated that the installation of lights do nothing to benefit the railroad, just the motoring public. He stated that the short line railroads are important to the economy of the state. If the short lines are eliminated it will increase the traffic on the highways. Mr. Rogers stated that they are more than willing to sit down with the short lines to see what they can work out.

Rep. Stevenson asked how the \$9 million figure was arrived at. Mr. Larry Shaw,

InDOT, stated that with regard to surface work, they do not spend exactly \$450 per year on each crossing, he explained that this is an average figure.

Sen. Meeks stated that since the short lines are seeking to have a separate bill introduced, the Committee would leave it up to them.

Mr. Schermerhorn stated that if the Committee wants to create a new fund, he suggests using the distressed road fund as model.

Mr. Ron Thomas, InDOT, updated the Committee on activity from the railroad grade crossing fund.² Mr. Thomas explained that all money from the fund has now been obligated. He said that this means that all contracts have been processed and all that is left for the recipients to submit receipts, etc. to be paid out of the fund. He stated that he cannot say exactly when the expenditures by the recipients will be made. He also stated that he cannot give the Committee the exact date that the amounts were encumbered, but he can say generally that it was in October and November. He stated that he believes the money will all be spent by the end of June. Sen. Meeks stated that the balance of the fund at the last meeting was \$557,000 and asked what today's balance is. Mr. Thomas stated that the balance would be the same because the money has not been spent, however, it has been obligated. Mr. Schermerhorn explained that the spending is not up to InDOT now, it is up to the recipients to spend the money. In response to a request from Rep. Crooks, Mr. Thomas stated that he would forward a copy of the Dubois County application to Rep. Crooks.

Sen. Meeks asked, now that the funds have all been obligated, whether InDOT could have used more funds. Mr. Thomas stated that for the solicitation InDOT did not give an ideal time for the turnaround of the application. He stated that maybe they should conduct a survey for determining the time needed. Sen. Meeks explained that two years ago an InDOT representative stated that InDOT could not use extra money for the railroad grade crossing fund. Mr. Schermerhorn stated that InDOT is in the process of letting the locals know of this program. He stated that they had to send out three or four letters to locals to inform them of the program and to get a response. He suggests an appropriation in the same amount as the previous appropriation.³ Mr. Thomas indicated that InDOT sent out 1200 letters and had 29 grantees.

Mr. Larry Goode stated that Ron Thomas did a very good job of moving the application process along. He explained that InDOT had to solicit and run the applicants. He stated that now all that remains to be done is for the recipients to perform the work and for InDOT to reimburse them. Mr. Goode informed the Committee that a new position has been created in the rail section of InDOT.

Sen. Meeks thanked Ron Thomas for his efforts. Sen. Meeks explained that it is difficult to ask the legislature for more money when InDOT has not spent the money they received two years ago. He stated that he is glad that InDOT has been listening to what the Committee has been saying.

Mr. Bill Verdeyen, Brotherhood of Locomotive Engineers, stated that for the last two years they have supported an appropriation of funds to have stop signs placed at all the passive railroad crossings. Mr. Verdeyen stated that it bothers him that InDOT

²A handout concerning this testimony is on file at the Legislative Information Center (See footnote 1).

³ The previous appropriation was for a total of \$500,000 for the biennium, or \$250,000 per year.

asks how they could use the money.

Sen. Antich wanted to know if anything had been done with regard to reflective tape on crossbucks.

Mr. Schermerhorn stated that at a previous meeting they presented a video tape and a report on what was done in other states. He stated that he does not have the information on Ohio with regard to reflectorized tape. He stated that Ohio only had information on the Ohio crossbucks. Mr. Schermerhorn stated that they will call the Ohio Department of Transportation (ODOT) but ODOT said previously that this information is not available.

Mr. Thomas stated that InDOT has used reflectorized tape which you can see on the handout that was provided.⁴ The tape is being used as a test on a Norfolk Southern crossing. Mr. Rogers stated that the state is buying the reflectorized material and the railroad is installing it. He stated that the Ohio data has been compiled but it has not shown whether the Ohio crossbuck has made any difference with regard to reducing accidents at crossings. Sen. Meeks stated that if the tape is used on the Norfolk Southern crossing, then InDOT should be able to gather some data on this.

Sen. Meeks asked Sen. Antich if she received the information she requested at the last meeting concerning the Northwest Regional Planning Commission (NIRPC). Sen. Antich indicated that she has not yet received it. She stated that she sent InDOT a letter specifying the exact information that she needs.

Rep. Crooks asked how much money InDOT could use for the railroad grade crossing fund.

Mr. Thomas indicated that the same amount could be used. He stated that one thing he did not explain to the Committee is how difficult it is to get the grantees to supply the documentation needed to award the grants. He stated that they have had to assist some of the smaller towns through the process.

Ms. Cathy Hale, Madison Railroad, IRTG, stated that more money is needed in the fund. She stated that her railroad asked for less money than was needed because they did not want to foreclose others from receiving money from the fund.

Mr. Matt Brooks stated that the original reason for the railroad grade crossing fund was to provide 10% local match money for crossing projects. He stated additional money could be used for the 10% local match if InDOT would promote that aspect of the fund. Rep. Stevenson stated that the Association of Indiana Counties could use its newsletters to inform the locals of the opportunities.

Sen. Meeks thanked the Committee for their efforts.

Rep. Stevenson asked InDOT for an update on the overpass at S.R. 249, specifically whether InDOT would make it a four lane overpass. Mr. Schermerhorn stated that InDOT was still planning on doing a two lane bridge. Rep. Stevenson stated that they would have to rebuild it later, which would probably be more expensive than making it adequate from the start. Mr. Schermerhorn stated that the Indiana Port Commission indicated that they wanted a wider bridge for the purposes of storage on the bridge. He stated that he would like to do some research on this issue. Rep. Stevenson stated that a four lane bridge would alleviate traffic at the crossings. Mr. Schermerhorn stated that the frontage road would have to be improved. Rep. Stevenson stated that the steel mills stated that the frontage road would not be needed

⁴ See footnote 2.

if the bridge was expanded. Mr. Goode stated that he spoke with a Federal Railroad Administration (FRA) representative who indicated there are four crossings they are interested in closing, in coordination with the steel mills. He indicated that the steel mills hired a consulting firm. He stated that maintenance of the bridge is also an issue.

Sen. Meeks adjourned the meeting at 2:35 p.m.